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Staff Study No. 8

Draft Outline of May 24, 1955

CFEP DRAFTING GROUP

ECONOMIC DEFENSE POLICY REVIEW

Extent of Difference between U.S. and Multilateral Controls

This draft outline for Staff Study No. 8 on the question: To what extent, if any, should U. S. controls differ from the multilateral controls, is transmitted for your use in connection with the work of the CFEP Drafting Group on Economic Defense Policy Review.

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Irving I. Kramer
Executive Secretary

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CFEP DRAFTING GROUP

Staff Study No. 8
(Draft Commerce/MDAC
Outline, May 24, 1955)

ECONOMIC DEFENSE POLICY REVIEW

Question No. 3

To what extent, if any, should U.S. controls differ from the multilateral controls?

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A. Subjects to which differentials relate.

1. Commodities: evaluation of proper security ratings and levels of control.

a. Nature of differentials.

(1) C II and C III items.

(2) U.S.C IV items.

b. Arguments for differentials.

c. Arguments against differentials.

2. Technical data.

a. Nature of differential.

b. Arguments for differential.

c. Arguments against differential.

3. Destinations.

a. Nature of differentials.

(1) China.

(2) Non-bloc destinations.

(a) Historical transshipment or reexport points.

(b) Areas under bloc control.

(c) Particularly sensitive areas, e.g., Finland.

b. Arguments for differentials.

c. Arguments against differentials.

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4. Ancillary controls.
 - a. Nature of differentials.
 - b. Arguments for differentials.
 - c. Arguments against differentials.
- B. Summarization of major arguments for differentials, e.g.:
 1. Effectiveness of unilateral control in certain cases.
 2. Political and moral considerations.
 3. Security principles.
 4. Restrictions on divulging information.
 5. Anti-frustration purpose.
- C. Summarization of major arguments against differentials, e.g.:
 1. Ineffectiveness of unilateral controls in many cases.
 2. Relationships with friendly countries.
 3. Discrimination against U.S. export community.
- D. Is it possible to devise criteria on which differentials should be based?
- E. On basis A - D, above:
 1. In what fields might the U.S. consider increasing controls:
 - a. Even though increasing differential?
 - b. If at least corresponding increase obtainable in level of multilateral controls?
 2. In what fields might the U.S. consider lessening controls:
 - a. If multilateral level remains as is?
 - b. If it is possible to find a common meeting ground between the U.S. and multilateral levels?
 3. In what fields might the U.S. consider eliminating differentials by lowering its controls to multilateral level?

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